



DEPARTMENT OF DEFENSE
UNITED STATES STRATEGIC COMMAND

Reply To:
USSTRATCOM/J0CS
901 SAC BLVD STE 2A5
OFFUTT AFB NE 68113-6000

21 Sep 10
SM# 3070-10

MEMORANDUM FOR: SEE DISTRIBUTION

Subject: Managers' Internal Control (MIC) Program

1. References:

- a. OMB Circular A-123, Management's Responsibility for Internal Control, 21 December 2004
- b. Department of Defense (DoD) Instruction 5010.40, "Managers' Internal Control Program Procedures," 29 July 2010.

2. The MIC Program was established by Public Law 97-255, the Federal Managers' Financial Integrity Act of 1982 (Integrity Act). The Act was implemented within the Executive Branch by OMB Circular A-123, Management's Responsibility for Internal Control and within the Department of Defense by DoD Instruction 5010.40, Managers' Internal Control Program Procedures. The law was enacted to ensure efficient and effective management of government resources. It requires all federal agencies to establish management controls that provide reasonable assurance that: obligations and costs are in compliance with applicable laws; funds, property, and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; revenues and expenditures are properly recorded and accounted for; and programs are efficiently and effectively carried out according to applicable law and management policy. The law requires the heads of each agency to report annually to the President and Congress on whether or not they are in compliance with the Federal Managers' Financial Integrity Act.

3. To comply with OMB and DoD Guidance in the past, the emphasis of the MIC Program was on the collection and submission of any Command material weaknesses by the Commander through the annual Statement of Assurance on the effectiveness of our internal controls to the Secretary of Defense. Although the program included non-financial activities, the focus was primarily financial and property-control related.

4. Starting in FY11, our approach will fully embrace and incorporate the new risk-based MIC Program self-reporting framework which complements and relies upon those internal stakeholders' understanding, documentation and assessment of their assigned functional areas. This new framework will provide those who are most familiar with their functional areas to proactively assess and report

(through their chain of command) upon their organization's highest risks identified for each mission-essential function. This approach will provide the Command with the latitude to address these risks before the mission is adversely impacted.

5. The Office of Secretary of Defense presented briefings to the Directorate representatives on 22 and 23 June 2010 outlining the new paradigm shift and program goals. As we move forward to implement this new emphasis and approach, I request each of you to carefully consider who you appoint as your organization's point of contact. This person will need to be familiar with those high-risk areas pertaining to your overall mission and associated processes. I look forward to working with you on this important initiative.

A handwritten signature in black ink, appearing to read 'Abraham J. Turner', written in a cursive style.

ABRAHAM J. TURNER
Major General, USA
Chief of Staff

Copy to:

J0CS/J1/J2/J3/J4/J5/J6/J7/J8/J9/JFCC-GS/JFCC-IMD/JFCC-ISR/JFCC-SPACE/JIOWC/
SCC-WMD/USCYBERCOM